

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

MELCHOR OCAMPO 171

MEXICO 17, D.F.

June 30, 1972

TO THE SHAREHOLDERS:

Investment in new plant in 1971 amounted to 965 million pesos, the highest in the history of the Company. Most notable were the expenditure of 114 million pesos in projects for the electrification of workers' housing developments, which allowed 52,000 new services to be connected, and the expenditure of 180 million pesos in the installation of jet turbogenerating units.

The Company sold 8,988 million KWH during the year, 7.8% more than the year before, and the number of consumers at the end of the year was 1,660,000, 7.3% more than at the end of 1970.


The total generation of the system was 10,265 million KWH, an increase of 7.8% with respect to 1970. The Company purchased 7,031 million KWH from the Federal Electricity Commission and produced 3,234 million KWH in its own plants. In December 1971 the maximum hourly demand was 2,015,534 KWH, 6.0% more than the maximum in 1970.

Although operating revenues increased by 7.8% in 1971, amounting to 2,363 million pesos, the net profit dropped to 44 million pesos, having been 82 million pesos the preceding year. This reduction in net profit was caused by additional expenses resulting from the greater sales and number of customers, the increase in the net financial cost because of the large investment in new plant, and the additional expenses resulting from the changes in the Social Security Law and the new Federal Labor Law.

Very truly yours,

HUGO B. MARGÁIN
Chairman of the Board

GUILLERMO VILLARREAL CARAVANTES
President and General Manager



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The Mexican Light and Power Company, Limited
(incorporated under the laws of Canada)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of The Mexican Light and Power Company, Limited will be held on the eleventh floor of the Board of Trade Building, 11 Adelaide Street West, Toronto, Ontario, Canada, on Monday, July 31, 1972, at 11:30 a.m. (eastern daylight time), for the purposes of: (a) receiving the financial statements for the year 1971; (b) electing directors; (c) appointing auditors; and (d) transacting such other business as may properly come before the meeting.

If you are unable to attend the meeting in person, kindly sign the attached form of proxy and forward it, as soon as possible, to the Company's Transfer Agent, National Trust Company, Limited, 21 King Street East, Toronto, Canada (addressed envelope enclosed) or deposit it with Compañía Mexicana de Luz y Fuerza Motriz, S.A., Melchor Ocampo 171, Mexico 17, D.F., Mexico in time for notification of such deposit to reach Toronto prior to the time of the meeting.

By Order of the Board,
RAFAEL DE PINA VARA,
Secretary.

TORONTO, July 11, 1972.

The Mexican Light and Power Company, Limited

PROXY, solicited by Management, for Annual Meeting of Shareholders in 1972

The undersigned hereby appoints HUGO B. MARGAIN, or failing him GUILLERMO VILLARREAL CARAVANTES, or failing him ENRIQUE ALVAREZ DEL CASTILLO, or failing him RAFAEL DE PINA VARA, (or) as proxy, with power of substitution, to attend and vote for the undersigned at the Annual Meeting of Shareholders to be held on July 31, 1972, and at any adjournments, on all matters that may properly come before the meeting, hereby revoking any proxy previously given. *The shares represented by this proxy will be voted for the election of directors and the appointment of auditors unless you indicate to the contrary by marking one or both of the following boxes.* Please withhold my shares from voting in the election of directors ☐, in the appointment of auditors ☐.

.....
(Shareholder's name — please print)

Dated: 1972
(Signature of Shareholder)

The shareholder has the right to appoint a person to represent him at the meeting other than the persons designated above either by inserting in the blank space provided the name of the person to be appointed or by completing another proper form of proxy.

will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting and until his successor is duly elected.

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all other positions and offices with the Company now held by him, if any; his principal occupation; the year in which he was first elected a director; and the number of shares of the Company that he has advised are beneficially owned by him directly or indirectly, as of the date hereof.

<u>Name</u>	<u>Became Director</u>	<u>Shares</u>
Lic. Hugo B. Margáin, Chairman of the Board, is Secretary of the Treasury and Public Credit of Mexico.	1970	Nil
Lic. Guillermo Villarreal Caravantes, President and General Manager, is Director General of the Comisión Federal de Electricidad.	1971	Nil
Lic. Guillermo Martínez Domínguez, is Director General of Nacional Financiera, S.A.	1969	Nil
Lic. Alfonso Suárez Cabildo, is Controller General of the Comisión Federal de Electricidad.	1971	Nil
Lic. Miguel de la Madrid Hurtado, is Director of Credit, Ministry of the Treasury and Public Credit of Mexico. He was formerly the Assistant Director for Finance of Petróleos Mexicanos and prior to that he was Assistant Director of Credit, Ministry of the Treasury and Public Credit of Mexico.	1972	Nil
Lic. José López Portillo, is the Under-Secretary of National Properties of Mexico and prior thereto was Assistant Secretary of the Ministry of the Presidency.	1972	Nil

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

1. The aggregate direct remuneration paid or payable in 1971 to officers of the Company, including officers who were also directors, was \$185,814 Can. Cy. of which \$7,066 Can. Cy. was paid by the Company and the balance was paid or payable by the Company's chief operating subsidiary, Compañía de Luz y Fuerza del Centro S.A. No direct remuneration was paid or payable by the Company or any of its subsidiaries to directors of the Company who were not also officers of the Company.
2. The maximum annual aggregate amount of all pension benefits proposed to be paid in the event of retirement at normal retirement age, directly or indirectly, by the Company or any of its subsidiaries to officers of the Company is estimated to be \$20,848 Can. Cy.
3. The aggregate of the separation payments which officers of the Company will become entitled, at normal retirement date and based on their services to December 31, 1971, to receive from the Company and/or any of its subsidiaries pursuant to any existing plan or arrangement is \$79,879 Can. Cy.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment as auditors of Despacho Manuel Resa, Certified Public Accountants, Mexico City, who were first appointed auditors at the Annual Meeting of Shareholders held on August 7, 1969.

Dated as of June 30, 1972.

The Mexican Light and Power Company, Limited

(incorporated under the laws of Canada)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of The Mexican Light and Power Company, Limited will be held on the eleventh floor of the Board of Trade Building, 11 Adelaide Street West, Toronto, Ontario, Canada, on Friday, June 28, 1968, at 10:30 a.m. (eastern daylight time), for the purposes of: (a) receiving the directors' report and financial statements for the year 1967; (b) electing directors; (c) appointing auditors; and (d) transacting such other business as may properly come before the meeting.

If you are unable to attend the meeting in person, kindly sign the attached form of instrument appointing a proxy and return it to the Company, 25 King Street West, Toronto, at your earliest convenience (addressed envelope enclosed) or deposit it at either of the following offices in time for notification of such deposit (which will be sent by cable) to reach the office of the Company at Toronto prior to the time of the meeting:

Compañía de Luz y Fuerza del Centro, S.A.,
Melchor Ocampo 171, Mexico 17, D.F., Mexico.

Binder, Hamlyn & Co., 18, St. Swithins Lane,
London, E.C.4, England.

By Order of the Board,

25 King Street West,
TORONTO, June 12, 1968.

G. L. STEWART,
Secretary.

The Mexican Light and Power Company, Limited

25 King Street West, Toronto 1, Ontario

PROXY, solicited by Management, for Annual Meeting of Shareholders in 1968

The undersigned hereby appoints ANTONIO ORTIZ MENA, or failing him EDUARDO GARDUÑO, or failing him ISMAEL REYES RETANA, or failing him ADOLFO GARCIA H., (or.....) as proxy, with power of substitution, to attend and vote for the undersigned at the Annual Meeting of Shareholders to be held on June 28, 1968, and at any adjournments, (a) FOR ☐ or AGAINST ☐ (or if no specification is made, FOR) approval of the Directors' Report and Financial Statements for 1967; (b) for the election of Directors; (c) for the appointment of Auditors; and (d) on such other business as may properly come before the meeting; hereby revoking any proxy previously given.

.....
(Shareholder's name—please print)

Dated:.....1968

.....
(Signature of Shareholder)

The Mexican Light and Power Company, Limited

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of The Mexican Light and Power Company, Limited (the Company) of proxies to be used at the Annual Meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors or officers of the Company. **A shareholder desiring to appoint some other person to represent him at the meeting may do so** either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, sending it to the Company or depositing it as provided in the notice of meeting. A person appointed as a proxy need not be a shareholder of the Company.

A shareholder who has given a proxy may revoke it, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing and delivering to the Secretary of the Company or the chairman of the meeting either a proxy bearing a later date or a written notice of revocation.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted for the approval of the directors' report and financial statements, and for the election of directors and the appointment of auditors as stated under those headings in this circular.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendments, variations or matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES

On May 15, 1968 the Company had outstanding 3,468,164 Common shares without nominal or par value and 853,244 Preferred shares of the par value of \$13.50 each. Both classes of shares carry the right to one vote per share, so that the aggregate number of votes attaching to all the outstanding shares is 4,321,408. On May 15, 1968 approximately 3,338,000 Common shares and 669,000 Preferred shares, representing more than 92% of the said aggregate number of votes, were held by Nacional Financiera, S.A., Isabel la Católica No. 51, Mexico City, a financial agency of the Government of the United Mexican States, and were beneficially owned by agencies of that Government.

The only persons entitled to attend and vote at the meeting or to be represented thereat by proxy will be (a) registered shareholders of record at the date of the meeting and (b) bearers of share warrants who have deposited the same and obtained a voting certificate in respect thereof in accordance with the conditions governing bearer share warrants referred to in the published notice of the meeting.

ELECTION OF DIRECTORS

The board consists of five directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting and until his successor is duly elected.

The following table and the notes thereto state the principal occupations or employments of each of the nominees, all other positions and offices with the Company now held by them, the year in which they became directors of the Company, and the number of shares of each class of the Company beneficially owned directly or indirectly by each of them, as of May 15, 1968.

<u>Name</u>	<u>Occupation</u>	<u>Became Director</u>	<u>Common Shares</u>
Lic. Antonio Ortiz Mena	Secretary of the Treasury and Public Credit of Mexico Chairman of the Board	1960	1
Lic. Eduardo Garduño	President and General Manager	1960	1
Lic. José Hernández Delgado	Director General of Nacional Financiera, S.A.	1960	—
Dr. Alfredo Navarrete	Director of Nacional Financiera, S.A.	1961	—
Gral. de Div. Pablo Macías Valenzuela	Director of Bureau of Military Pensions	1960	—

- (1) None of the said nominees was a beneficial owner of Preferred shares at May 15, 1968.
- (2) The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Each of the above named persons has held the principal occupation or employment indicated for at least five years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

- (1) Aggregate direct remuneration paid or payable by the Company and its subsidiaries in 1967 to the directors and senior officers of the Company . . . \$184,023 Can. Cy.
- (2) Aggregate of the annual pensions to which the directors and senior officers of the Company will become entitled at normal retirement date based on their service to December 31, 1967 \$ 57,037 Can. Cy.
- (3) Aggregate of the separation payments to which the directors and senior officers of the Company will become entitled at normal retirement date based on their service to December 31, 1967 \$ 86,888 Can. Cy.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment as auditors of Despacho Roberto Casas Alatríste, Certified Public Accountants, Mexico City, who have been the auditors of the Company for more than five years.

Dated as of May 15, 1968.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED

PROXY INFORMATION CIRCULAR

SOLICITATION OF PROXIES

The Proxy Information Circular is furnished in connection with the solicitation by the management of the Mexican Light and Power Company, Limited (the "Company") of proxies to be used at the time and place and for the purposes set forth in the enclosed notice of meeting. It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by regular employees or representatives of the Company or its subsidiaries at nominal cost. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are nominees of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another form of proxy. A proxy need not be a shareholder. A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by an instrument in writing or by another proxy bearing a later date.

A proxy or revocation of proxy, in order to be acted upon, must be executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at one of the places specified in the notice of meeting or at the head office of the Company on or before the last business day preceding the day of the meeting or adjournment thereof at which the proxy is to be used, or with the Chairman of such meeting on the day of the meeting or adjournment thereof.

VOTING OF PROXIES

Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy will, *unless authority to vote is withheld, be voted for the election of directors and the appointment of auditors as stated under those headings in this circular.*

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, or other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date of this circular the Company has outstanding 4,196,111 common shares without nominal or par value and 852,598 preferred shares of the par value of \$13.50 each. Both classes of shares carry the right to one vote per share at all general meeting of shareholders, so that the aggregate number of votes attaching to all the outstanding shares is 5,048,709.

Approximately 4,106,000 common shares and 691,000 preferred shares, representing more than 94% of the aggregate number of votes, are at the date hereof beneficially owned by the Comisión Federal de Electricidad, the electric power agency of the Government of the United Mexican States. The only persons entitled to attend and vote at the meeting or to be represented thereat by proxy will be registered shareholders of record at the time of the meeting.

ELECTION OF DIRECTORS

The board of directors consists of six directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the board of directors. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any

reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting and until his successor is duly elected.

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all other positions and offices with the Company now held by him, if any; his principal occupation; the year in which he was first elected a director; and the number of shares of the Company that he has advised are beneficially owned by him directly or indirectly, as of the date hereof.

<u>Name</u>	<u>Became</u>	
	<u>Director</u>	<u>Shares</u>
Lic. José López Portillo, Chairman of the Board, is Secretary of the Treasury and Public Credit of Mexico.	1972	Nil
Lic. Arsenio Farell Cubillas, President and General Manager, is Director-General of the Comision Federal de Electricidad and of Compañía de Luz y Fuerza del Centro, S. A.	1973	Nil
Lic. Gustavo Romero Kolbeck, is Director General of Nacional Financiera, S. A.	1974	Nil
Lic. Fernando Rafful Miguel, is the Under-Secretary of National Properties of Mexico	1972	Nil
Lic. Miguel de la Madrid Hurtado, is Director of Credit, Ministry of the Treasury and Public Credit of Mexico.	1972	Nil
Lic. Jorge Tamayo López Portillo, is the Deputy Director-General of Compañía de Luz y Fuerza del Centro, S. A.	1972	Nil

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

1. The aggregate direct remuneration paid or payable in 1973 to officers of the Company, including officers who were also directors, was \$90,000 Can. y Cy. all paid by the Company. No direct remuneration was paid or payable by the Company or any of its subsidiaries to directors of the Company who were not also officers of the Company.
2. The maximum annual aggregate amount of all pension benefits proposed to be paid in the event of retirement at normal retirement age, directly or indirectly, by the Company or any of its subsidiaries to officers of the Company is estimated to be \$23,000 Can. Cy.
3. The aggregate of the separation payments which officers of the Company will become entitled, at normal retirement date and based on their services to December 31, 1973, to receive from the Company and/or any of its subsidiaries pursuant to any existing plan or arrangement is \$85,000 Can. Cy.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment as auditors of Mario Suárez del Real, Certified Public Accountants, Mexico City, who were first appointed auditors at the Meeting of the Board of Directors on December 18, 1972.